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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

## INFORMATION REPORT

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Estimate of Effectiveness of Government Anti-Communist Campaign Throughout Federation DATE DISTR.

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The following report is based on an estimate of the effectiveness of various elements of the Government campaign against Malayan Communist bandits and Communist-directed terrorism throughout the Federation which The observations contained in this summary appear to represent an accurate analysis of conditions in the Federation which is believed to be of value in connection with recent Government efforts to revise the campaign as directed by retiring General Briggs.

- Malayan Security Forces recently have had greater success in their campaign against Communist guerrillas than at any time since the start of the Federation Emergency. As a consequence of these successful repressive efforts, Communist guerrillas have assigned larger forces to terrorist activities, and attacks on civilians have become more effective as a result of the greater daring and cruelty which have been demonstrated in their execution.
- 2. Because of their isolation, rubber estates and tin mines have become the targets of these augmented terrorist activities, and they have been subjected to more frequent attacks than ever before. European and senior Asiatic employees of these estates and mines are becoming extremely discouraged with the Government for the failure of various protective measures and for the lack of efficiency of Government offensive operations.
- 3. The Government squatter resettlement program which was designed to isolate Communist guerrillas from sources of supply apparently has been inefficiently directed. Except for Johore, the program appears to have reached a virtual stalemate.
- In Johore, where the Government has made its greatest effort to carry out resettlement, the program has exceeded by at least three times the total amount that should have been expended. Construction contracts have been mishandled, and the exorbitant wages which have been paid to laborers have set an unfortunate precedent for future resettlement construction and for the local labor market.

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- 5. The Government's belated realization that the costs of the resettlement program had become prohibitively high has resulted in a policy of making every short—cut possible in an effort to complete the project. This policy has caused the elimination of essential features of the program which would have determined its over—all effectiveness. These eliminated features have included essential elements of the administrative organization of the camps.
- 6. As an example of these ill-advised economies, it is noteworthy that there are now insufficient personnel provided for administration and policing of the camps, and existing staffs are unable to do an adequate job with available facilities.
- 7. The resettlement camps now provide the guerrillas with certain advantages which they have not had previously. Squatters now are centrally located, and since guerrillas and members of the Communist Min Yuen movement are able to enter and leave the camps, the food supply problem has been eased considerably, and extortion of the squatters has been made less difficult.
- 8. Squatter resettlement camps may in fact provide safe havens for Communist guerrillas, since the Security Forces assume that no Communists have entered the camps. Security Forces moreover are already over-extended in their patrols of jungle areas.
- 9. The Government is experimenting in Kedah with a new method of deploying Police forces. This new method is based on a system of concentrating available forces in trouble spots, leaving minimal forces in quiescent areas. The state has been divided into districts which are classified according to current trends of guerrilla activity. Special constables in relatively peaceful areas have been reduced to the minimum required to guard the homes of Europeans, leaving rubber factories and smoke houses unguarded, but providing additional men for service with Police jungle squads.
- 10. Although this system has certain obvious weaknesses which may further reduce rubber production, it may give greater assistance to the Security Forces in their efforts to dislodge the guerrillas from jungle strongholds.

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Comment. Recent reports from other sources which have contained information on the progress of the squatter resettlement program throughout the Federation have included all of which have indicated that the resettlement program has been somewhat less successful than had been indicated previously.

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